



HONG KONG MONETARY AUTHORITY
香港金融管理局

Hong Kong Banking Sector :
2020 Year-end Review and
Priorities for 2021

4 February 2021



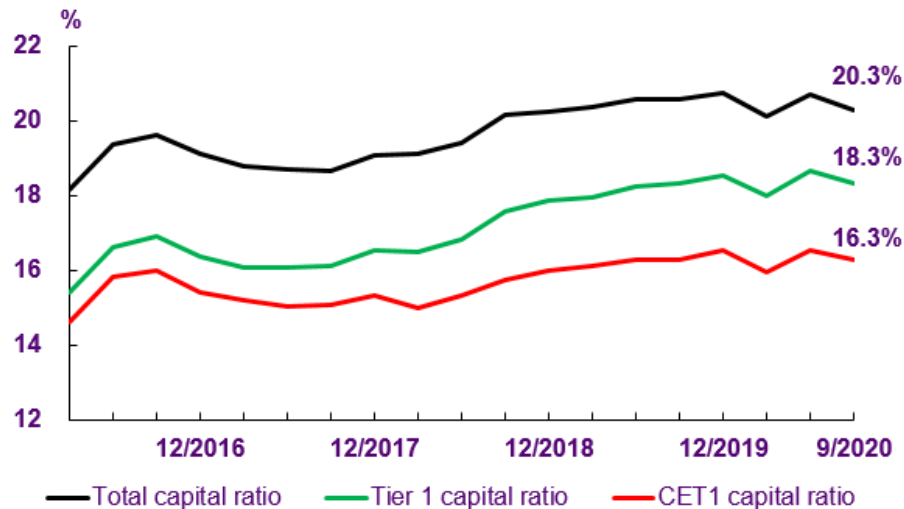
Outline

- **Banking Sector in 2020**
- **Review of Work in 2020**
- **Work Priorities in 2021**

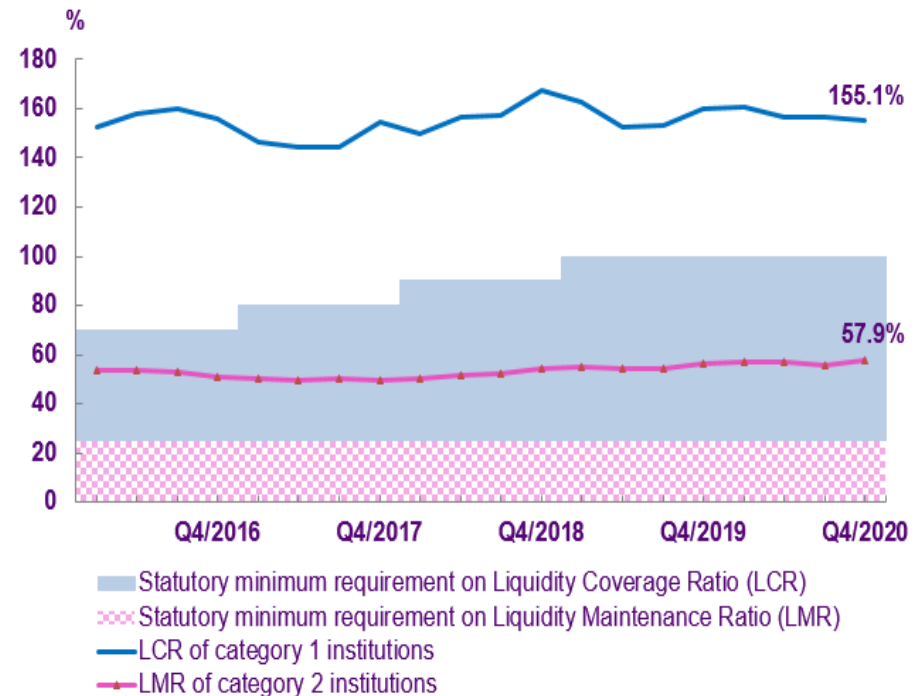


Banking sector remains resilient

Capital Adequacy Ratios (CAR)



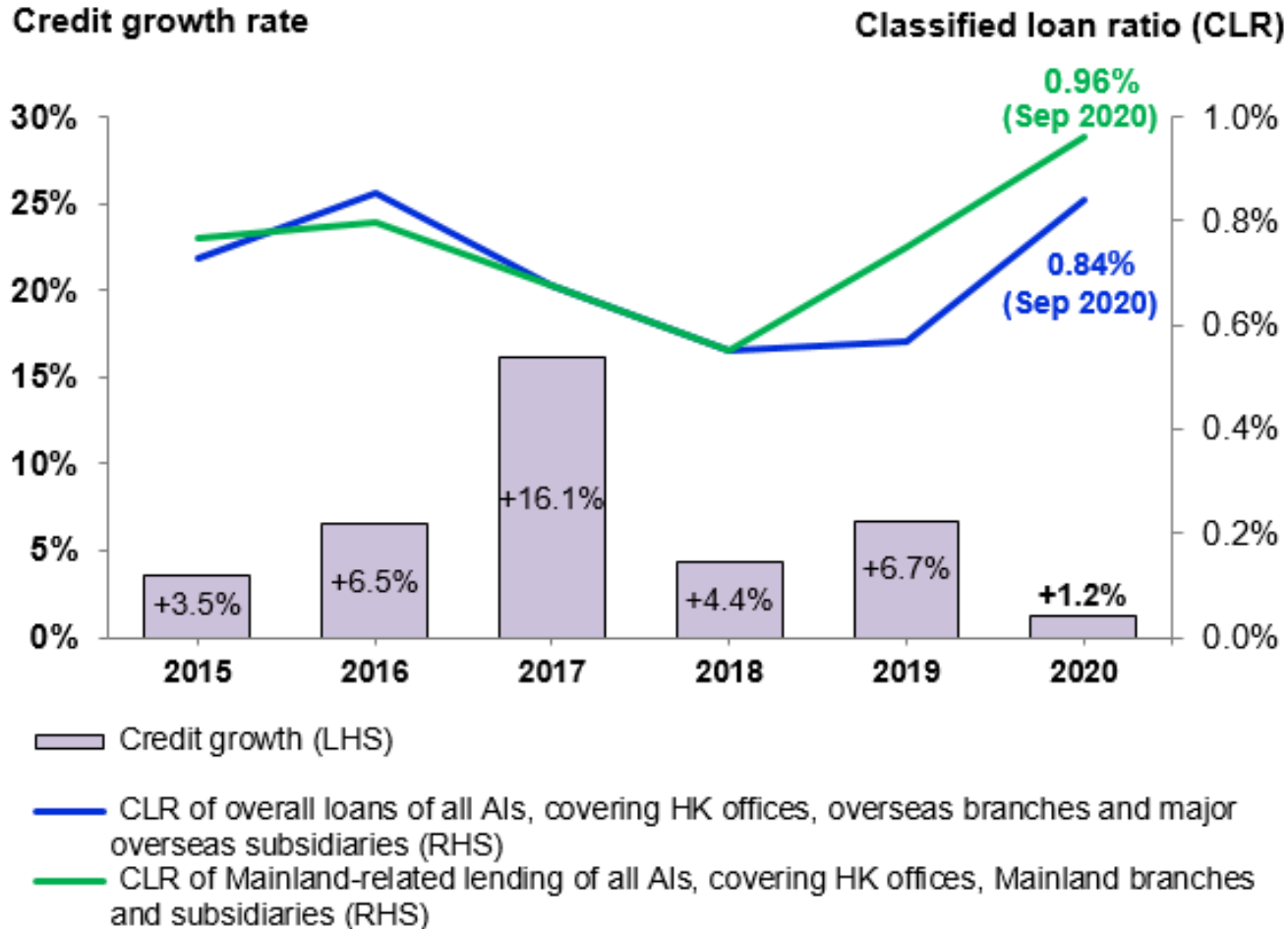
Liquidity Ratios





Asset quality remains healthy

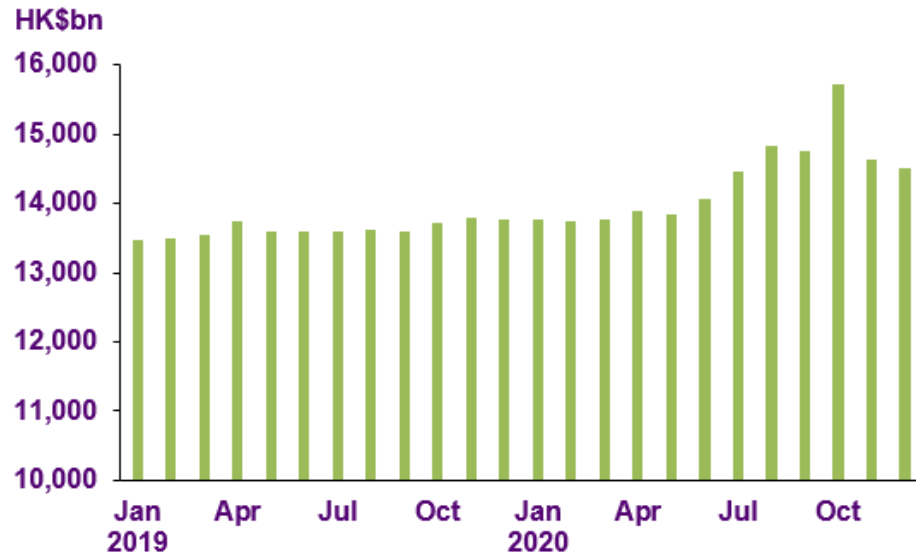
Credit Growth and Asset Quality



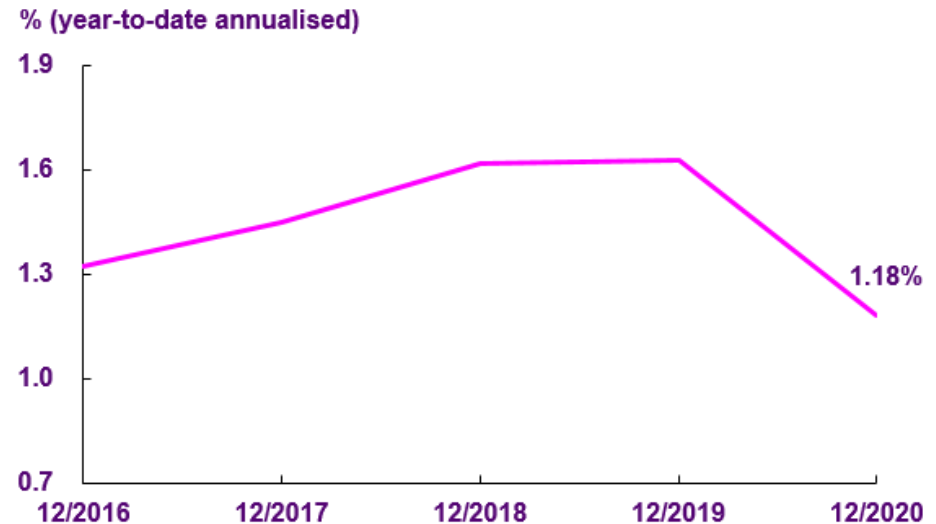


Deposits continued to grow but interest margin narrowed

Total Deposits



Net Interest Margin (NIM) of Retail Banks





Work in 2020 amid COVID-19

Pandemic Response



Support Economy



Lending Capacity



Operational Resilience

Other Supervisory Actions



Customer Protection



AML/CFT Practices



Green and Sustainable Banking





Banking Stability Post-COVID

Credit Risk



- Monitor asset quality trend closely
- Continue to support economy

Cyber and Operational Resilience



- Strengthen cyber resilience through implementation of CFI 2.0



Other Supervisory Focuses Post-COVID

Digitalisation



- Remote customer on-boarding
- Non-face-to-face distribution
- High-yield products
- Review Code of Banking Practice

Banking Sector in 2020

Manage Financial Crime Risk



- Apply international standards in addressing online fraud and related risk
- Enhance data and network analytics capability

Review of Work in 2020

Benchmark Transition



- Ensure smooth transition away from LIBOR

Work Priorities in 2021



Technology

Regtech & Suptech Development



Proof-of-concepts for Suptech initiatives



Virtual Regtech Conference, Adoption Index, Regtech Challenge, Practice Guidance and Lab Sessions

Capacity Building & Ecosystem



Green and Sustainable Banking

